
Dollar Amounts: Current Versus Constant Dollars

In this report, capital project dollar amounts are presented in both constant and current dollars but discussed only in terms of 1993 constant dollars. Constant dollars are “inflation adjusted” dollars that adjust for variations in the purchasing power of the dollar over time. Dollar amounts were adjusted using the Bureau of the Census’ Composite Fixed-Weighted Price Index for Construction. Unlike a more general index, this construction index closely tracks inflation within the construction industry. This index reflects only changes in prices and is unaffected by changes in the mix of construction projects during any given year.

Previous reports used current, not constant dollars to present trends in capital project expenditures. Comparisons in current dollars tend to overstate increases in spending over time because more current dollars are needed to buy the same products each year. Comparisons in constant dollars provide a more accurate picture of expenditure trends.

The specific adjustments used for each of the fiscal years is shown in Table A-5.

Table A-5. Composite Fixed-Weighted Price Index
for Construction inflation adjustments

<i>Fiscal year</i>	<i>Average Composite Fixed-Weighted Price Index for Construction¹</i>
1986–1987	1.159
1988–1989	1.079
1990–1991	1.042
1992–1993	1.000

¹ The index for the second year was used in all calculations that spanned two fiscal years

SOURCE: National Science Foundation/SRS, 1994 Survey of Science and Engineering Research Facilities at Universities and Colleges